ഉത്തരം

(എ, ബി) ഇല്ല. അടുത്ത സാമ്പത്തികവർഷത്തിൽ ഇക്കാര്യം പരിഗണിക്കുന്നതാണ്.

FINANCIAL BUSINESS

Presentation of Budget for 1964-65.

Mr. Speaker : Order, order. Question hour is over.

We pass on to the presentation of the Budget for the
9 a. m.] financial year 1964-65. I call upon the Chief Minister to present the Budget.

Chief Minister (**Shri R. Sankar**): Sir, I rise to present the budget estimates for 1964–65.

2. The year 1963 was a momentous year in several respects. It witnessed the nation preparing itself to take up the challenge posed by the threat of invasion on our northern borders. In the face of this danger, our people forgetting all differences stood shoulder to shoulder and the world saw the resurgence of a united and determined nation. If the test of true nationhood is how it stands up to a crisis, it is a mater of gratification that India has stood the test well.

3. While inaugurating the opening session of this Assembly, the Governor dealt at lengh with the measures taken by the State Government to meet the requirements of the National Emergency. We have contributed Rs. 185 lakhs to the National Defence Fund and deputed a battalion of the Malabar Special Police and a battalion of the Special Armed Police for service in Nagaland. The Home Guards Organisation has been built up as a second line of internal defence and security. Training of technical personnel at different levels from mechanics and para-medical personnel to engineers and doctors has been taken up on an emergency basis. Liberal concessions to serving army personnel and their families have been sanctioned in recognition of their services to the nation. As the defences of the country have to be built up on economic strength, the Plan was reoriented to the tasks of increasing agricultural production and expanding industrial activities. The tempo of developmental efforts achieved this year will have to be kept up in the coming years' as an integral part of building up the nation's strength.

Economic trends in 1963

4. The State's agriculture fared well during 1962-63 when compared with the all-India picture.

5. The index number of agricultural production (base 1956-57= 100) rose from 108·4 in 1961-62 to 111·0 in 1962-63, recording an increase of 2·4 per cent over the year. Almost all the important crops registered sizable increase in production during 1962-63. Production of rice increased from 9·88 lakh tons in 1961-62 to 10·76 lakh tons in 1962-63. In the current year though the first crop was quite ordinary, the second crop just now gathered has been generally very good. Coconut which claims the biggest share in the State's agricultural income registered an increase of 58 million nuts compared to the previous year. Other crops like banana, arecanuts, cashew nuts and sugarcane also recorded

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a rise in output during the year. The rise was most pronounced in the case of banana which recorded an increase in production of almost 40 per cent. This is a particularly welcome trend in view of the expanding foreign market for the commodity.

6. Among the plantation crops, rubber has recorded the maximum increase in output. Its production increased by about 16 per cent compared to 1961-62. Rubber is an important industrial raw material whose production in the country is very much short of demand. Our State has a special responsibility in wiping out the deficit since Kerala accounts for more than 90 per cent of country's output of natural rubber.

7. In this general picture which is quite bright there are certain dim spots which should be taken as a note of warning. We are losing ground as it were in the export trade of some of our traditional export commodities like pepper and ginger. Pepper is already facing keen competition from other producers like Sarawak and Malaya. The consequent fall in price is acting as a disincentive against increased production of the crop with the result that the production of pepper is falling in spite of all the developmental efforts. The problem can be solved only by maximising the productivity per acre and thus improving our capacity to compete. The situation is more or less similar in the case of ginger also.

8. Wholesale price indices of agricultural commodities registered a slight fall in the early part of the year 1963. The index (base 1952-53=100) of 128 in April moved upto 126 in May and again to 135 in December though it was rather steady in July and August. The pressure of prices during 1963 was largely accounted for by food articles, the most important among them being rice.

9. The position of rice supplies in the State continued to be satisfactory during 1963. As stated earlier, the internal production of rice was higher compared to the previous year and supplies from outside were normal. The only untoward occurrence that threatened to disturb the smooth food situation during the year was a sharp rise in the price of rice during November-December 1963 which was largely controlled by the timely action of the Government.

10. The working class cost of living indices in Kerala, which showed a tendency to fall in the beginning of 1963 began to rise thereafter. The maximum rise was recorded in December in all the centres. Between January and December the indices rose by 7·7 per cent.

11. Since the declaration of the Nationol Emergency, the labour-management relations in the State have shown a marked improvement. There is a growing awareness both among labour and management that they should solve differences peacefully and through voluntary methods. The man-days lost during November 1962 to October 1963 were only 1·99 lakhs. The loss for the corresponding period of the previous year was 21·32 lakhs man-days. The number of strikes also went down from 461 to 113.

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12. Unemployment continues to be the major disquieting feature of the economy of the State. About 14 per cent of the labour force is still unemployed. The number of employees in the public sector increased to 2·37 lakhs on 30-9-1963 from 2·25 lakhs on 30-9-1962. The growth of private sector employment was, however, not significant. The number of factories increased from 2573 in 1962 to 2600 in 1963. Though 230 factory units were opened during 1963, 203 factories were closed during the period. The maximum number of both additional units opened and units cancelled was in the cotton textile industry. There was considerable reduction in the number of coir factories during the year.

13. Another disturbing problem of equal or even greater magnitude is the acute pressure of population on the limited resources of the State. The growth of population needs effective curb in the coming years. For the fruits of planned development to reach the masses, effective action in this direction is needed. The provisional regional income figures indicate that the per capita income in the State is not growing as it should, due to the high demographic pressure. During 1962-63 the St te income registered an increase of 3 per cent (at 1960-61 prices) over the previous year, whereas the per capita income of the State rose to Rs. 299 only from Rs. 297 in the previous year. Thus while the State income showed a rise of 3 per cent, the per capita income recorded only a rise of 0. 6 per cent, the difference being accounted for by the increase in population.

14. The new industries coming up in the State are placing our economy on the threshold of industrialisation. A much greater effort, however, is needed to ensure higher levels of employment and an adequate rate of growth.

THE PLAN—LESSONS OF MID-TERM APPRAISAL

15. In a sense the Third Five Year Plan is really the first plan for Kerala as the State in its present form was not in existence when the Second Plan was formulated. The First Plan prepared in a hurry was only an experiment in planning. Of course its main objectives which consisted of a few irrigation and power projects and community development projects were fulfilled in the main. The Second Plan representing a more broadbased effort envisaged an outlay of Rs. 87 crores and its achievement in terms of financial targets is of the order of 92 per cent. The main objectives of the Third Plan are raising the regional income by 5 per cent per annum, and providing the basis for a more balanced economy with a substantial programme of industrialisation and expansion of agricultural production. In another month we will be completing the third year of the Third Plan. Out of the proposed Plan of Rs. 170 crores, we would be spending nearly Rs. 90 crores by the end of this year, that is, about 53 per cent of the total outlay.

16. The mid-term appraisal of the Third Plan revealed the shortfalls in production, employment and regional income that have occurred so far in the implementation of the Plan. It has been estimated

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